

October 21, 2005

Maine Milk Commission Special Meeting Minutes
Deering Building, Room 233
Hospital Street, Augusta, Maine 04333

Notices for the October 21, 2005 meeting were distributed to Commission members, intervenors and other interested parties September 23, 2005 and sent to the Secretary of State's Office for posting on October 5, 2005.

Commission Present: Colon Durrell, John Joseph Jr., Katherine O. Musgrave and Shelley Doak.

Commission Absent: Chair Michael Wiers.

Department Officials: None

Staff Present: Stanley K. Millay, Executive Director, and Carol Gauthier clerical assistant

Legal Counsel: Lucinda White, Assistant Attorney General – Not present

Intervenors Present: John Blake, H.P. Hood, Inc., John Economy, Garelick Farms of Maine, Thomas Brigham, Oakhurst Dairy

Others Present: Fred Hardy, Galen Larrabee, Harold Larrabee, John and Adeline Palmer, Dale Cole, and Julie-Marie Bickford from the Maine Dairy Industry Association (MDIA), Dr. Timothy Dalton and Lisa Bragg from the University of Maine.

Meeting called to order at 1:40 P.M. by acting chair, Colon Durrell.

Public Hearing opened on Chapter 29, Dealer Margins. An update of fuel and resin prices effective October 19th prepared by Dr. Timothy Dalton was presented to the Commission. The impact of these prices increases the dealer margins and show increased costs to processors.

No other comments were received. Written comment period ends October 31, 2005.

Hearing closed at 1:43 P.M.

Agenda Item 1: Minutes: Shelley Doak made a motion to accept the minutes of the August 22, 2005 meeting as written. Katherine Musgrave seconded. Motion passed 3-0.

Agenda Item 2: Lucinda White, Assistant Attorney General: No report.

Agenda Item 3: Minimum Prices: The prevailing premium is \$1.10 for November 2005 reported by Dairy Marketing Services and Agri-Mark Cooperative.

Dale Cole reported to the Commission that increases in fuel costs are impacting farmers. He noted that his transportation costs had increased 4 cents per hundredweight.

Katherine Musgrave reported that she is hearing from people that other food commodities have increased in price, probably due to increased fuel costs, while retail milk prices have not gone up at the same rate.

Shelley Doak made a motion to adopt price schedule #11-05 as prepared with the producer cost of production margin at \$0.89/cwt. on Class I for November 2005 and \$0.15/cwt. on Class II and \$1.10/cwt. over-order prevailing premium on Class I plus \$0.23/cwt. added to Class I in accordance with a handling fee. John Joseph seconded. Motion passed 3-0.

Minimum milk prices adopted include the Federal Order Class I price for November 2005 of \$17.81 plus a processor assessment of \$0.20/cwt.

There is no Farm Bill Counter Cyclical Payment (MILC) for November 2005.

Agenda Item 4: Maine Monthly Price Survey: The Commission reviewed the Maine price survey for October 2005 which included prices for Augusta and Bangor.

Agenda Item 5: Next Scheduled Meetings:

- November 18, 2005, Friday 1:30 p.m.
Room 233, Department of Agriculture, Food & Rural Resources
Augusta, Maine
- December 23, 2005, Friday 1:30 p.m.
Room 233, Department of Agriculture, Food & Rural Resources
Augusta, Maine
- January 10, 2006, 10:00 a.m. Tuesday, Agricultural Trade Show, Augusta Civic Center
Augusta, Maine
- January 20, 2006, Friday 1:30 p.m.
Room 233, Department of Agriculture, Food & Rural Resources
Augusta, Maine

Agenda Item 6: Other:

1. **Milk Commission Budget:** The Commission Reviewed income and expenditures.
2. **Producer Margins:**

Timothy Dalton and Lisa Bragg presented a progress report on the cost of production survey. Dr. Dalton reported that the study was more than 90 per cent completed and a draft report would be available by the second week of December and be forwarded to the Commission prior to the December 23rd meeting. Dale Cole requested that the Commission consider clustering the farms using the same methodology as was used by legislature when they enacted the current Dairy Stabilization Program. Colon Durrell asked that Assistant Attorney General Lucinda White provide a copy of the statute language that directs the Commission to adopt 3 levels of farm sizes with a range of production and explain to the Commission what that means. Stan Millay will contact Lucinda for this information.

Agenda Item 7: Executive Session: The Commission did not go into Executive Session

Meeting Adjourned: 2:48 PM

Stanley Millay, Executive Director, Maine Milk Commission